



## Legislation Details (With Text)

<b>File #:</b>	ID 16-1353	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Ordinance				
<b>File created:</b>	10/11/2016	<b>In control:</b>	City Council		
<b>On agenda:</b>	10/18/2016	<b>Final action:</b>			
<b>Title:</b>	Consider adoption of an ordinance terminating an award for a public works contract for the construction of hangars at Denton Enterprise Airport; and providing an effective date of the termination. (RFP 5753- previously awarded to Mag Construction Services, LLC in the not-to-exceed amount of \$617,801.65 on April 21, 2015).				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. Exhibit 1-1B-Contract, Ordinance, Fund Disbursement, 2. Exhibit 2-Demand letter 11.11.15, 3. Exhibit 3-Demand Letter 6.7.16, 4. Exhibit 4-Punch List-Aguire Roden, 5. Exhibit 5-Punch List-Erect A Tube, 6. Exhibit 6-PO 172786 and Payment History, 7. Exhibit 7-Project Progress 10.11.16, 8. Exhibit 8-Termination Letter, 9. Exhibit 9-Ordinance				

Date	Ver.	Action By	Action	Result
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Materials Management

**ACM:** Bryan Langley

**AGENDA DATE:** October 18, 2016

### SUBJECT

Consider adoption of an ordinance terminating an award for a public works contract for the construction of hangars at Denton Enterprise Airport; and providing an effective date of the termination. (RFP 5753- previously awarded to Mag Construction Services, LLC in the not-to-exceed amount of \$617,801.65 on April 21, 2015).

### RFP INFORMATION

The Taxilane Quebec Hangar Project consisted of constructing twenty-seven (27) aircraft hangar spaces in seven (7) buildings for light, personal aircraft. The ramp area connecting these hangars to Taxilane "Q" (Quebec) was completed in October 2014. The hangar materials were awarded by Council on November 18, 2014 (RFP 5574) and purchased from Erect-A-Tube in the amount of \$614,838. Based on a current waiting list of prospective tenants, staff estimates the hangars can be leased as soon as certificates of occupancy are issued following assembly. The fully leased units will generate \$13,500 in Airport Fund revenue each month.

On April 21, 2015, the Denton City Council issued Ordinance 2015-120 approving Contract 5753 for construction of the hangars, a notice to proceed was issued, and the awarded contractor - MAG Construction mobilized to the jobsite and construction began shortly thereafter. Several months into the project, it became

obvious to City staff that the contractor had slipped in the schedule, and some noticeable errors were discovered in the means and methods of construction. Subsequently, the City of Denton issued the contractor an initial demand letter on 11-11-15. Several months later, some improvements to the project were completed, however, overall the project was still behind schedule. The City issued a second demand letter on 6-7-16, and also notified the Bonding Company of the contractual issues at this point. Over the past few months, the contractor has attempted to rectify some of the issues noted in the punch list, however, the majority of issues remain today. As such, staff is unsatisfied with the contractors' performance and recommends the contract be terminated.

The project is approximately 99% complete with construction, however the punch list issues must be addressed, and the doors to the buildings must also be addressed with competent personnel to avoid any accidents or injuries to the staff, tenants, or visitors. The contractor has not been able to complete the punch list items to the requirements of the materials provider (Erect-A-Tube), the Project Engineer (Aguire Roden), or City staff.

This contract termination will allow for the Bonding Company to step in and take the place of the contractor and complete the project to the City's requirements. Once completed, they will receive the remaining payments under the contract and the associated retainage.

### **RECOMMENDATION**

Based on all of the documentation and details listed herein, staff recommends termination of Contract 5753 with Mag Construction Services, LLC.

### **PRINCIPAL PLACE OF BUSINESS**

Mag Construction Services, LLC  
Kennedale, Texas

### **ESTIMATED SCHEDULE OF PROJECT**

Mag Construction Services, LLC originally estimated that the hangar foundation construction and building assembly would be completed within 60-90 days of Notice to Proceed. The project is several months beyond the promised delivery date, including any approved delays for inclement weather.

### **FISCAL INFORMATION**

This item was funded from the City Council approved budget for the Taxilane Quebec Hangar Project for Fiscal Year 2013-14, Denton Airport Budget Operating account 200048565.1360.40100. Purchase Order 172786 was issued on May 21, 2015 for the approved Council awarded amount of \$617,801.65. Five Change Orders reflecting financial changes were approved for an additional total of \$9,421.77.

### **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area:**     **Public Infrastructure**  
**Related Goal:**                **1.1 Manage financial resources in a responsible manner**

**EXHIBITS**

Exhibit 1, 1A, 1B: Contract, Ordinance, Funds Disbursements Agreement

Exhibit 2: Demand Letter 11.11.15

Exhibit 3: Demand Letter 6.7.16

Exhibit 4: Punch List Aguire Roden (Engineer)

Exhibit 5: Punch List Erect-A-Tube (Materials Provider)

Exhibit 6: PO 172786 and Payment History

Exhibit 7: Current Project Status

Exhibit 8: Contract Termination Letter

Exhibit 9: Ordinance

Respectfully submitted:  
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Director of Finance

For information concerning this acquisition, contact: Elton Brock at 349-7133.